

PRESS CONFERENCE ON WTO AGRICULTURAL PROPOSAL

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As Prepared for Delivery

Good afternoon, and thank you all for coming.

We are meeting at a moment of great historic importance to American agriculture. Two weeks ago Congress passed, and the President signed, a disaster relief bill providing \$15 billion to assist farm and ranch families struggling with an economic crisis now in its fourth year. Although the Administration differed with aspects of that legislation, we view the assistance it provides as critical to our commitment to improving the economic opportunities of farmers, ranchers and rural America.

Today we are unveiling a second component of that strategy. This is a plan for fundamental and long-term reform of agricultural trade: opening markets overseas, eliminating unfair export subsidies, and leveling the competitive playing field for U.S. agriculture.

This is a comprehensive plan which will create new opportunities for our farm and ranch families, strengthen the trading system and also strengthen guarantees of fairness for farmers in poor and developing countries worldwide.

With one in three of our farm acres now producing for world markets, the ability to export is fundamental to prosperity in rural America. Over the past seven years, agriculture has thus been central to American trade policy. We have come a long way -- opening key markets and creating the first substantial international rules for agricultural trade -- but we have much more work ahead. American farmers still live in a world marked by high foreign trade barriers; by export subsidies that reduce farm incomes worldwide; and in some cases pervasive government involvement in agricultural trade through state trading enterprises.

U.S. PROPOSAL AT THE WTO

The proposal we will introduce tomorrow in Geneva takes these head on. The WTO committed itself to broad agricultural negotiations five years ago, and opened the talks on schedule in February. Since then, we have been consulting with Congress; farmers, ranchers and agricultural industry; and with our trading

partners.

The proposal we will introduce tomorrow in Geneva incorporates the views we heard. Let me make four main points about it.

First, it is ambitious. It addresses every major issue from market access to export competition and domestic support. We call for substantial reductions or elimination of tariffs, expansion of remaining tariff-rate quotas, elimination of export subsidies, disciplines on the use of export restrictions on agricultural products, disciplines on state trading enterprises, simplification of rules applying to domestic support, and establishment of a ceiling on trade-distorting support that applies equally to all countries.

Second, it is fair. It will reduce or eliminate disparities in tariffs and subsidies worldwide, ensuring that farmers are competing not against government treasuries, but against one another based on productivity and skill. At the same time, it recognizes the appropriate role governments can play in supporting farmers and rural economies, as long as they do not do so at the expense of people on the land elsewhere in the world. All countries can use government policy tools to address national objectives -- our proposal simply emphasizes that this support should be provided through non-trade distorting means.

Third, it simplifies rules for agricultural trade. Our proposal, for example, will replace complicated border measures with simple tariffs. It will streamline domestic support rules to ensure all trade-distorting support measures are disciplined, while clarifying approaches countries can take to support farmers through non-trade-distorting measures. And it will call for reforms that facilitate trade in new technologies, when proven safe by fair, transparent and science-based regulations.

Fourth, it is bipartisan. This proposal reflects the ideas and advice of producer groups from around the country; Members of Congress from both parties; and our trading partners with whom we share a commitment to agricultural reform. It places us in partnership with developing countries and others committed to reform in today's world market. It places us in a role of leadership setting the agenda for the next agricultural negotiations.

CONCLUSION

We want a more open, stable, and prosperous world agricultural trading system, one which offers more opportunity to farm families in America; fairness for farmers in the developing world; and better prices and choice for consumers everywhere. This proposal is a major step forward, and I would like to thank our friends in Congress, in producer and consumer groups, and of course the USDA for the advice and ideas they have contributed.

Thank you very much for coming, and let me now turn to Secretary Glickman.